



DG 08-115

July 31, 2009



Debra Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 S. Fruit St. Suite 10
Concord, New Hampshire 03301-2429

Re: Northern Utilities, Inc. – New Hampshire Division, 2008 - 2009 Winter Period
Cost of Gas (COG) Adjustment Reconciliation

Dear Director Howland:

Enclosed are an original and eight copies of Northern Utilities, Inc. – New Hampshire Division's ("Northern" or "the Company") 2008 - 2009 Winter Period Cost of Gas Adjustment Reconciliation (Form III). The objective of this reconciliation is to present the details of Northern's winter period 2008 - 2009 under-collection.

Form III, Schedules 1 through 5, of the attached reconciliation contain the accounting of six months of recoveries and costs assigned to the winter period. The schedules illustrate the Company's under-collection of \$2,897,378 as follows:

Schedule 1 provides the summary of the winter period ending balance;

Schedule 2 shows the deferred gas cost activity, allowable costs and revenues for the period May 2008 through May 2009, including interest;

Schedule 3, page 1, shows the summary of winter period gas cost collections, and pages 2 through 8 illustrate the gas cost collections for each month;

Schedule 4 (2 pages) presents the monthly detail of purchase gas costs allocated to the winter period; and

Schedule 5 contains the purchased and made volumes, the sendout metered at Northern's NH gate stations, and volumes by Residential and Commercial & Industrial customer classifications for the period, May 2008 through April 2009.

Attachment A presents the reconciliation of the working capital allowance and recoveries. The under-collection of \$22,921 will be reflected on Revised Page 39 of Northern's Tariff No. 10 as an addition to the costs used to calculate the COG rate.

Attachment B shows the reconciliation of the bad debt allowance and collections. The under-collection of \$52,984 will also be reflected on Revised Page 39 of Northern's Tariff No. 10 as an addition to the costs used in calculating the COG rate.

Frederick J. Stewart
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Attachment C reconciles the Environmental Response Costs as well as a true-up of the estimates used for July - October 2008 and an estimate for July - October 2009.

Attachment D presents the interruptible profits by month. A total of \$37,770 of interruptible profits has been recognized for May 2008 - April 2009. This amount has been deducted from the 2008 - 2009 winter period costs.

Attachment E shows the RLIAP program costs and recoveries. The projected under recovery of \$65,978 will be reflected in a revision to the RLIAP recovery rate of \$0.0039 per therm.

Attachment F details the summer period sales variance analysis.

If you have any questions regarding this reconciliation or if you require any further information, please contact me.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Frederick J. Stewart".

Frederick J. Stewart

Enclosure

cc: Matthew Fossum, Staff Counsel
Edward Damon, Staff Counsel
Meredith Hatfield, Consumer Advocate
Susan Geiger, Esq.